

WASHINGTON, DC—Congressman Peter DeFazio (D-OR) today voted against H.R. 1, the American Recovery and Reinvestment Act. DeFazio voted in favor of the original House legislation because the country urgently needs economic stimulus and he hoped the legislation would be substantially improved by the Senate. Unfortunately the final bill is worse and DeFazio voted against the legislation because it was laden with excessive tax cuts that reduced investment in programs that will create jobs and educate our children. Unfortunately, the bill passed the House of Representatives by a vote of 246 to 183.

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“I supported the original objective to have a bill that was timely, targeted and temporary. Instead, we ended up with a huge grab bag, some of which is good like the \$80 billion to fix our crumbling infrastructure or the money to educate our children, but there are hundreds of billions of dollars in excessive tax cuts that will do little to stimulate our economy or put our nation on the road to recovery,” DeFazio said. “I could support borrowing money for infrastructure investments that will produce a product for generations to come but not \$326 billion for tax cuts which will provide limited relief for working families and little economic stimulus. Infrastructure funding is a proven way to put thousands of people in the hard hit construction industry back to work and yet, infrastructure spending doesn’t even account for 10% of the funds in the bill.”

The original House passed legislation, though it was not perfect, included critical funding for school construction, education, transit, and other infrastructure funding which was stripped out or significantly cut when the House and Senate versions of the bill were reconciled. The original legislation would have created 1 million more jobs than the compromise that passed the House today. The House version addressed the budget shortfall for funding facing Oregon schools, helped to modernize schools and substantially improved the nation’s transit systems.

Every \$1 billion spent on infrastructure creates 34,779 jobs and \$6.2 billion in economic activity. It is an excellent way to stimulate the economy as opposed to the majority of tax cuts in this bill which will provide no economic stimulus. For example, the payroll tax cut will put about \$8 a week in people’s pockets but will cost \$115 billion over ten years. Working families can certainly use the money but it is not going to create needed jobs or help rebuild our crumbling

infrastructure. Additionally, the inclusion of Alternative Minimum Tax (AMT) relief will cost \$80 billion and provide zero stimulus to our economy.

Oregon is facing a devastating statewide budget shortfall of \$800 million in the final months of the state's biennial budget that ends in June. Almost half of this budget shortfall is for K-12 education alone. By not accounting for Oregon's budget shortfall, Oregon schools may have to close early this year, a devastating blow to the education of our children. Oregon is receiving \$400 million less in the compromised version of the bill than it did in the original House version.

"I don't believe, and I don't think most Oregonians believe, that this bill is what we need to turn this country around and put us on the path to economic recovery. The \$326 billion in tax cuts won't build bridges, educate our children or even fill in potholes," said DeFazio. "I voted no because I believe we should have spent this money more wisely but I will continue fighting to for those things that are necessary to the recovery of our economy."